

because you take off the tax rolls property for a very long period of time and it is truly not just a short-term abatement, but a long-term loss of tax revenue. But as Senator Johnson and I think Senator Lynch said, this doesn't change that 15 year and I don't quite understand. First the 100 acre rule, you know, like the downtown Cornhusker project is obviously not 100 acres. Would they have to declare the whole downtown the 100 acres and then take one parcel for 15 years? Looking at the language, also, Senator Lynch, it looks like you changed from 15 to 30 years on line 7 and page 2 of this and I don't see how you keep the 15 year limit on the abatement. So, I don't mean to suggest what you're saying isn't true, but I'm confused. If you could help to explain it better. If it maintains a 15 year abatement only for a piece of property, I can live with it, and if you need this change to adjust to the feds, but if you're in fact, you know, maybe you were not clear on that, and it in fact extends to 30 years, then I would violently oppose it because I don't think we want to take any piece of property off the tax rolls for 30 years. That is essentially not having it on the rolls at all. So, with that, Senator Lynch, or Senator Johnson, could you explain it just a little better?

SENATOR LYNCH: I'll try. It will not affect the 15 year provision now in the statutes. The beginning of the clock for the 30 years and the 100 acres in the Tax Reform Act simply established some federal guidelines. It would mean in the case of Lincoln, I know it was used individually for the Cornhusker. I know in Omaha it was used near the ConAgra area and I think for the ConAgra Building by the same developer as the people that built the Cornhusker Hotel, if memory serves me properly. That would change. That change...what the reason was, that was used by the feds to change this policy to 100 acres, I can't say. I do know though that it really should not affect it because in most cases and in most areas where this kind of financing is important, it is going through a process of rehabilitation. Let me explain. For example, if a piece of property in any of the areas now being used, now using tax increment financing or within the 100 acre tract where being used, you can see in the third graph, individual projects within that 100 acres could be attempted and, in fact, accomplished. Let's say that tract of land was developing now, valuation of \$2 million for taxable purposes, and the equivalent of property tax from that \$2 million, it would always remain that through the life of the increment financing. That taxable income, the equivalent of \$2 million would continue through the 15 year life of this bond. Any additional improvement, taxable value for